

LEASE SUPPLEMENT NO. 2

APR 27 1976 - 10 02 AM

(Lease Agreement No. 1)

INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT NO. 2 (Lease Agreement No. 1), dated as of January 15, 1976, between FIRST NATIONAL BANK OF LOUISVILLE, a national banking association organized and existing under the laws of the United States of America, as Trustee under the Trust Agreement (No. 1) dated as of September 30, 1975, between Citicorp Lescaman, Inc., a Delaware corporation, and such Trustee (such Trustee in its capacity as such Trustee, being herein called the "Lessor"), and LESLIE COAL MINING COMPANY, a Delaware corporation (the "Lessee").

The Lessor and the Lessee have heretofore entered into that certain Lease Agreement (No. 1) dated as of September 30, 1975 and Lease Supplement No. 1 thereto dated as of January 15, 1976 (such Lease Agreement as so amended and supplemented being herein called the "Lease" and the defined terms therein being hereinafter used with the same meaning).

Section 11(b)(2) of the Lease provides for adjustments of the Basic Rent, Termination Value and Stipulated Loss Value percentages in the event that the tax benefits available are different from the tax benefits referred to or specified in clauses (i) through (viii) of Section 11(b)(1) of the Lease. Citicorp Leasing, Inc. has recomputed such percentages to reflect (i) the increase of the credit referred to in clause (ii) of such Section 11(b)(1) from 7% to 10% and (ii) the increase of the effective cumulative federal, state and local rate of tax referred to in clause (viii) of such Section 11(b)(1) from 54.2374% to 61.2352%.

NOW, THEREFORE, the Lessor and the Lessee agree that Schedules I, IIA, IIC, IID, IIIA, IIIC and IIID, respectively, to the Lease shall be amended effective as of the date hereof to read as set forth on the respective Schedules I, IIA, IIC, IID, IIIA, IIIC and IIID attached hereto.

This Lease Supplement No. 2 shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement No. 2 to be duly executed as of the day and year first above written.

[CORPORATE SEAL]

FIRST NATIONAL BANK OF LOUISVILLE,  
 as Trustee, Lessor

ATTEST:

By *[Signature]*  
 Vice President and Trust Officer

*[Signature]*  
 Assistant Secretary

[CORPORATE SEAL]

LESLIE COAL MINING COMPANY,  
 Lessee

ATTEST:

By *[Signature]*  
 President

*[Signature]*  
 Secretary

THE RIGHTS OF THE LESSOR IN AND TO THE LEASE, INCLUDING THIS LEASE SUPPLEMENT NO. 2, HAVE BEEN ASSIGNED, MORTGAGED AND PLEDGED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, THE INDENTURE TRUSTEE UNDER THE TRUST INDENTURE AND SECURITY AGREEMENT DATED AS OF SEPTEMBER 30, 1975, BETWEEN FIRST NATIONAL BANK OF LOUISVILLE, AS OWNER TRUSTEES, AND THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), AS INDENTURE TRUSTEE, AS SAID TRUST INDENTURE AND SECURITY AGREEMENT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME AS PERMITTED THEREBY. THIS LEASE SUPPLEMENT NO. 2 HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS OF WHICH THIS IS COUNTERPART NUMBER 18. SEE SECTION 23 OF THE LEASE FOR INFORMATION CONCERNING THE RIGHTS OF THE HOLDERS OF THE VARIOUS COUNTERPARTS OF THE LEASE AND OF THIS LEASE SUPPLEMENT NO. 2 AND SEE THE DISCLAIMER OF REPRESENTATIONS AND WARRANTIES IN SECTION 2(g) OF THE LEASE.

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

On this 27<sup>th</sup> day of April 1976, before me personally came DENNIS W. WEIHE, to me known, who, being by me duly sworn, did depose and say and he resides at First National Tower, Louisville, Kentucky 40202; that he is a Vice President and Trust Officer of FIRST NATIONAL BANK OF LOUISVILLE, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

[NOTARIAL SEAL]

My commission expires

*Rosemary A. Abbott*

Notary Public ABBOTT  
ROSEMARY A. ABBOTT  
NOTARY PUBLIC, State of New York  
No. 31-4528468  
Qualified in Nassau County  
Certificate filed in New York County  
Commission Expires March 30, 1978

STATE OF OHIO }  
COUNTY OF CUYAHOGA } ss.:

On this 27<sup>th</sup> day of April 1976, before me personally came R. H. CHISOLM, to me known, who, being by me duly sworn, did depose and say that he resides at 1100 Superior Avenue, Cleveland, Ohio 44114; that he is the President of LESLIE COAL MINING COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

[NOTARIAL SEAL]

My commission expires

*Donna J. Hansen*  
Notary Public

**SCHEDULE I**  
**TO LEASE AGREEMENT**  
**(No. 1)**

1. Applicable Quarter: October 1, 1975 through December 31, 1975

2. Basic Rent during Original Term:

<u>Class of Equipment</u>	<u>% of Capitalized Cost</u>	<u>No. of Installments</u>
Class A.....	3.8528%	32
Class C.....	2.7234%	52
Class D.....	1.9615%	92

**SCHEDULE II A**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**STIPULATED LOSS VALUE**  
**CLASS A EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	116.365522	17.....	79.320462
2.....	118.496904	18.....	76.429860
3.....	118.074718	19.....	73.481062
4.....	116.933262	20.....	70.460238
5.....	115.031944	21.....	58.766911
6.....	113.699588	22.....	55.616462
7.....	112.360812	23.....	52.417861
8.....	110.609958	24.....	49.148825
9.....	108.424380	25.....	45.807618
10.....	106.317366	26.....	42.404181
11.....	103.917642	27.....	38.962610
12.....	101.416902	28.....	35.451887
13.....	90.239934	29.....	23.271271
14.....	87.617048	30.....	19.620547
15.....	84.925898	31.....	15.941653
16.....	82.160868	32.....	15.000000

**SCHEDULE II C**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**STIPULATED LOSS VALUE**  
**CLASS C EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	115.790040	27.....	77.227466
2.....	118.935438	28.....	75.360052
3.....	120.015402	29.....	64.853258
4.....	120.565252	30.....	62.919282
5.....	120.559930	31.....	60.970168
6.....	120.954918	32.....	58.985219
7.....	121.117596	33.....	56.963558
8.....	120.926096	34.....	54.912772
9.....	120.363810	35.....	52.858005
10.....	119.917424	36.....	50.771175
11.....	119.118758	37.....	48.651351
12.....	118.010346	38.....	46.493040
13.....	108.118570	39.....	44.329725
14.....	106.810654	40.....	42.134859
15.....	105.443550	41.....	39.907431
16.....	104.024882	42.....	37.631800
17.....	102.553916	43.....	35.343940
18.....	101.065330	44.....	33.021687
19.....	99.528472	45.....	30.663922
20.....	97.944046	46.....	28.253866
21.....	87.712424	47.....	25.830306
22.....	86.059352	48.....	23.369210
23.....	84.368994	49.....	20.869338
24.....	82.635028	50.....	18.312650
25.....	80.856666	51.....	15.741055
26.....	79.055186	52.....	15.000000

**SCHEDULE II D**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**STIPULATED LOSS VALUE**  
**CLASS D EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	116.554812	47.....	79.519778
2.....	120.481034	48.....	78.500184
3.....	122.633264	49.....	77.468440
4.....	124.370434	50.....	76.417638
5.....	125.675170	51.....	75.363018
6.....	127.310208	52.....	74.295638
7.....	128.636954	53.....	73.215138
8.....	129.665716	54.....	72.114252
9.....	130.384036	55.....	71.009104
10.....	131.255236	56.....	69.890164
11.....	131.783338	57.....	68.757030
12.....	132.055174	58.....	67.602044
13.....	123.461182	59.....	66.442309
14.....	123.530272	60.....	65.267643
15.....	123.254978	61.....	64.077604
16.....	122.735496	62.....	62.864090
17.....	122.156352	63.....	61.645294
18.....	121.578302	64.....	60.410312
19.....	120.957280	65.....	59.158653
20.....	120.302340	66.....	57.881724
21.....	111.014304	67.....	56.598937
22.....	110.325146	68.....	55.298572
23.....	109.604504	69.....	53.980090
24.....	108.855156	70.....	52.634354
25.....	108.076798	71.....	51.282119
26.....	107.297440	72.....	49.910776
27.....	106.498196	73.....	48.519725
28.....	105.675538	74.....	47.099224
29.....	96.230314	75.....	45.671526
30.....	95.382010	76.....	44.223025
31.....	94.525536	77.....	42.753057
32.....	93.651024	78.....	41.251206
33.....	92.758200	79.....	39.741394
34.....	91.862548	80.....	38.208904
35.....	90.970554	81.....	36.653001
36.....	90.065980	82.....	35.062522
37.....	89.148564	83.....	33.463238
38.....	88.221394	84.....	31.839205
39.....	87.297602	85.....	30.189607
40.....	86.363608	86.....	28.502447
41.....	85.419146	87.....	26.805559
42.....	84.457914	88.....	25.081627
43.....	83.493652	89.....	23.329746
44.....	82.518414	90.....	21.536995
45.....	81.531908	91.....	19.733500
46.....	80.527548	92.....	19.098750

**SCHEDULE III A**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**TERMINATION VALUE**  
**CLASS A EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	103.813790	17.....	65.559598
2.....	105.872816	18.....	62.589670
3.....	105.377854	19.....	59.561089
4.....	104.163206	20.....	56.460019
5.....	102.188272	21.....	44.685987
6.....	100.781876	22.....	41.454366
7.....	99.368636	23.....	38.174126
8.....	97.542888	24.....	34.822979
9.....	95.281980	25.....	31.399188
10.....	93.099206	26.....	27.912691
11.....	90.623282	27.....	24.387582
12.....	88.045904	28.....	20.792839
13.....	76.791858	29.....	8.527718
14.....	74.091448	30.....	4.792003
15.....	71.322326	31.....	1.027627
16.....	68.478878	32.....	0.000000

**SCHEDULE III C**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**TERMINATION VALUE**  
**CLASS C EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	104.601428	27.....	64.235288
2.....	107.682326	28.....	62.292980
3.....	108.697422	29.....	51.710857
4.....	109.182026	30.....	49.701120
5.....	109.111082	31.....	47.675808
6.....	109.440072	32.....	45.614221
7.....	109.536372	33.....	43.515481
8.....	109.278110	34.....	41.387171
9.....	108.648678	35.....	39.254434
10.....	108.134758	36.....	37.089184
11.....	107.268168	37.....	34.890488
12.....	106.091442	38.....	32.652850
13.....	96.130958	39.....	30.409751
14.....	94.753938	40.....	28.134641
15.....	93.317330	41.....	25.826507
16.....	91.828758	42.....	23.469704
17.....	90.287484	43.....	21.100205
18.....	88.728186	44.....	18.695841
19.....	87.120210	45.....	16.255493
20.....	85.464254	46.....	13.762377
21.....	75.160690	47.....	11.255278
22.....	73.435262	48.....	8.710162
23.....	71.672130	49.....	6.125786
24.....	69.864972	50.....	3.484105
25.....	68.012994	51.....	.827029
26.....	66.137476	52.....	.000000



**SCHEDULE III D**  
**TO LEASE AGREEMENT**  
**(No. 1)**

**TERMINATION VALUE**  
**CLASS D EQUIPMENT**

<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>	<u>Rental Payment Date</u>	<u>% of Capitalized Costs</u>
1.....	105.235108	47.....	64.773983
2.....	109.096076	48.....	63.669385
3.....	111.182676	49.....	62.552146
4.....	112.853838	50.....	61.415357
5.....	114.092184	51.....	60.274254
6.....	115.660450	52.....	59.119894
7.....	116.920040	53.....	57.951910
8.....	117.881258	54.....	56.763037
9.....	118.531644	55.....	55.569394
10.....	119.334518	56.....	54.361448
11.....	119.793902	57.....	53.138797
12.....	119.996622	58.....	51.893777
13.....	111.333118	59.....	50.643489
14.....	111.332294	60.....	49.377748
15.....	110.986682	61.....	48.096109
16.....	110.396478	62.....	46.790467
17.....	109.746202	63.....	45.479013
18.....	109.096612	64.....	44.150837
19.....	108.403638	65.....	42.805447
20.....	107.676330	66.....	41.434248
21.....	98.315510	67.....	40.056647
22.....	97.553150	68.....	38.660921
23.....	96.758880	69.....	37.246528
24.....	95.935480	70.....	35.804329
25.....	95.082646	71.....	34.355075
26.....	94.228380	72.....	32.886153
27.....	93.353798	73.....	31.396961
28.....	92.455368	74.....	29.877753
29.....	82.933932	75.....	28.350779
30.....	82.008980	76.....	26.802430
31.....	81.075414	77.....	25.232038
32.....	80.123366	78.....	23.629185
33.....	79.152562	79.....	22.017788
34.....	78.178476	80.....	20.383127
35.....	77.207600	81.....	18.724464
36.....	76.223688	82.....	17.030633
37.....	75.226472	83.....	15.327402
38.....	74.219048	84.....	13.598822
39.....	73.214538	85.....	11.844074
40.....	72.199358	86.....	10.051158
41.....	71.173244	87.....	8.247904
42.....	70.129890	88.....	6.416994
43.....	69.083030	89.....	4.557518
44.....	68.024722	90.....	2.656551
45.....	66.954665	91.....	.744217
46.....	65.866271	92.....	.000000

This instrument was prepared by the undersigned George A. Schneider, attorney at law, whose address is c/o Shearman & Sterling, 399 Park Avenue, New York, New York 10022.

George A. Schneider